

Message Text

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S E C R E T SECTION 1 OF 2 BELGRADE 5696

EO 11652: GDS
TAGS: PFOR, YO
SUBJ: VRHOVEC AND HARRIMAN ON BILATERAL ISSUES

REF: BELGRADE 5557

1. FOLLOWING HARRIMAN-VRHOVEC JULY 29 BREAKFAST DISCUSSION
ON THE NONALIGNED CONFERENCE (SEE REFTTEL), CONVERSATION
TURNED TO THE STATE OF THE YUGOSLAV-US RELATIONS.

2. IN RESPONSE TO A HARRIMAN QUESTION SECRETARY VRHOVEC
SAID THAT THE COURSE OF OUR BILATERAL RELATIONSHIP IS
EXTREMELY FAVORABLE; THERE HAVE BEEN SIGNIFICANT
IMPROVEMENTS OVER THE COURSE OF THE LAST YEAR,
PARTICULARLY ON THE PART OF THE UNITED STATES.

3. GOVERNOR HARRIMAN SAID THAT HE HAD BEEN EXTREMELY
IMPRESSED WITH HIS CONVERSATION WITH PRESIDENT TITO,
THAT IT HAD BEEN, AS ALWAYS, INTERESTING AND ENLIGHTENING,
AND THAT THE PRESIDENT'S THOUGHTS WOULD BE VERY
MUCH APPRECIATED IN WASHINGTON, PRESIDENT TITO, SAID
VRHOVEC, IS DEVOTING MUCH OF HIS TIME TO US-YUGOSLAV
RELATIONS AND HOW THEY MAY BE IMPROVED. LITTLE IS
MORE CRITICAL TO THE PRESIDENT. WHILE THERE ARE
STILL SOME UNRESOLVED ISSUES, THEY ARE NOT MAJOR
IN SCOPE. FOR EXAMPLE, THERE STILL ARE ELEMENTS IN
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THE UNITED STATES THAT OPPOSE YUGOSLAVIA. THESE
ELEMENTS ARE MADE UP NOT ONLY OF YUGOSLAV IMMIGRANTS
BUT OF "OTHERS" AS WELL.

4. GOVERNOR HARRIMAN REPLIED THAT HE AGREED THERE
WERE THOSE IN THE UNITED STATES WHO DID NOT UNDERSTAND
WHAT TITO IS TRYING TO DO IN THE WORLD, AND

THERE ARE SOME WHO DO NOT UNDERSTAND NONALIGNMENT OR ITS SIGNIFICANCE TO THE UNITED STATES AND WORLD PEACE. INDEED, HE SAID, THE YUGOSLAVS HAVE HAD SOME JUSTIFICATION IN THE PAST FOR FEELING THAT THE USG DID NOT PUSH HARD ENOUGH TO PROSECUTE YUGOSLAV SEPARATISTS WHO HAVE CARRIED OUT TERRORIST ACTS AGAINST YUGOSLAV INSTALLATIONS IN THE UNITED STATES. BUT THAT SITUATION IS NOW DEFINITELY IMPROVED; THE CARTER ADMINISTRATION IS INTENT ON ASSURING THAT OUR LAWS ARE OBEYED AND THAT THOSE WHO BREAK THOSE LAWS ARE PUNISHED. IN THIS REGARD THE TITO VISIT TO WASHINGTON IN MARCH VERY MUCH HELPED FOCUS ATTENTION ON THE PROBLEM.

5. SECRETARY VRHOVEC ACKNOWLEDGED THAT THERE HAS BEEN A PERCEPTIBLE CHANGE IN WASHINGTON'S ATTITUDE TOWARD THIS ISSUE. IT IS A TREND THAT SHOULD BE ENERGETICALLY PURSUED AND SHOULD REMAIN HIGH ON EVERYONE'S AGENDA.

6. ANOTHER PROBLEM FOR YUGOSLAVIA, SAID VRHOVEC, IS IN THE FIELD OF FOREIGN TRADE; THE YUGOSLAV BALANCE OF TRADE PROBLEM IS A CONTINUING AND SERIOUS ONE. THE GOY WANTS USG UNDERSTANDING AND HELP IN RESOLVING THIS ISSUE.

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7. AMBASSADOR EAGLEBURGER INTERRUPTED TO SAY THAT WHILE IT WAS TRUE THAT YUGOSLAVIA HAD A GENERAL PROBLEM WITH REGARD TO WORLD TRADE, THIS COULD HARDLY BE DESCRIBED AS A BILATERAL PROBLEM BETWEEN TWO COUNTRIES. NO MAJOR TRADING NATION, THE AMBASSADOR SAID, IS MORE OPEN TO IMPORTS FROM OTHERS THAN IS THE UNITED STATES, AND NO OTHER GOVERNMENT HAS BEEN WORKING HARDER WITH YUGOSLAVIA TO ENCOURAGE SUBSTANTIAL TWO WAY GROWTH IN TRADE. OUR TRADE IN BOTH DIRECTIONS LAST YEAR RAN AT ABOUT DOLS 7 HUNDRED MILLION AND WAS ALMOST IN BALANCE; IF TRENDS CONTINUE THIS YEAR OUR TWO WAY TRADE MAY REACH DOLS 1 BILLION AND AGAIN WILL BE MORE OR LESS IN BALANCE.

8. SECRETARY VRHOVEC ACKNOWLEDGED THAT THIS WAS THE CASE AND INDICATED THAT THE GOY VERY MUCH APPRECIATES EVERYTHING THE USG HAS DONE. HE LOOKED FORWARD TO A CONTINUED INCREASE IN THE LEVEL OF OUR TRADE AND

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HOPED THAT US INDUSTRIAL JOINT VENTURES IN YUGOSLAVIA
WOULD INCREASE SUBSTANTIALY OVER THE COURSE OF THE
NEXT SEVERAL YEARS.

9. ON BILATERAL NUCLEAR ISSUES, VRHOVEC SAID THAT
RESOLUTION OF THE KRSKO PROBLEM AND AGREEMENT ON THE
SHORT TERM SUPPLY OF NUCLEAR FUEL TO YUGOSLAVIA WAS A
SIGNIFICANT ACHIEVEMENT. WHAT REMAINS NOW IS TO FIND
A LONG TERM SOLUTION TO THE GENERAL NUCLEAR RELATIONSHIP
BETWEEN OUR TWO COUNTRIES.

10. GOVERNOR HARRIMAN REPLIED THAT HE WAS A GREAT
ADMIRER OF PRESIDENT CARTER'S STAND ON NUCLEAR MATTERS,
AND SUPPORTED HIS ABSOLUTE DETERMINATION TO PREVENT
NUCLEAR PROLIFERATION. WE MUST, OF COURSE, DEAL WITH
THE SOVIETS FIRST ON THIS RANGE OF ISSUES, BUT LOOK
FORWARD TO SEEING A WIDE RANGE OF NATIONS JOIN US IN
PREVENTING NUCLEAR PROLIFERATION AND NUCLEAR ACCIDENTS.
INTERNATIONAL MEANS MUST BE FOUND TO HANDLE NUCLEAR
WASTES, AND ALL NATIONS MUST AGREE ON WAYS TO CONTROL
ACCESS TO PLUTONIUM OR THERE WILL BE A GROWING
DANGER THAT NUCLEAR MATERIALS "WILL GET INTO
IRRESPONSIBLE HANDS." "I APPEAL TO YOU," SAID
GOVERNOR HARRIMAN, "TO SUPPORT PRESIDENT CARTER'S
EFFORTS TO ACHIEVE A SALT AGREEMENT, EXTEND THE NPT,
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AND FOCUS WORLD ATTENTION ON THE DANGERS OF THE NUCLEAR PROBLEM. MANY HAVE GIVEN UP HOPE THAT MUCH CAN BE ACCOMPLISHED, BUT PRESIDENT CARTER HAS NOT. HE AND CHAIRMAN BREZHNEV RECOGNIZE THE DANGERS BEFORE US AND IT IS TOO BAD THAT EXTRANEIOUS MATTERS HAVE SLOWED PROGRESS ON THE SALT AGREEMENT." ON THE OTHER HAND, HARRIMAN SAID, SECRETARY VANCE AND GROMYKO HAVE A GOOD PERSONAL RELATIONSHIP AND THIS WILL BE AN IMPORTANT FACTOR IN ARRIVING AT BOTH A SALT AGREEMENT AND A CTB.

11. SECRETARY VRHOVEC REPLIED THAT THE GOY FULLY SUPPORTS THE NPT; IF PROLIFERATION IS NOT STOPPED THE WORLD WILL BE DESTROYED. BUT, HE SAID, NONPROLIFERATION POLICY NEEDS TWO CORRECTIVES:

A) THE NUCLEAR POWERS AND BLOCS MUST AGREE THAT THEY WILL NEVER USE NUCLEAR WEAPONS AGAINST POWERS WHICH HAVE RENOUNCED SUCH WEAPONS. THE RECENT SSOD IN NEW YORK MADE PROGRESS IN THIS DIRECTION, ALTHOUGH NOT AS MUCH AS YUGOSLAVIA HAD HOPED FOR.

B) THE NUCLEAR POWERS MUST RECOGNIZE THAT THEY DO NOT HAVE THE RIGHT TO PREVENT OTHER NATIONS FROM USING NUCLEAR ENERGY FOR PEACEFUL PURPOSES. THIS TENDENCY TOWARD "MONOPOLY" IS VERY STRONG ON THE PART OF ALL NUCLEAR POWERS AND SOMETHING MUST BE DONE TO CORRECT IT. IF THE NUCLEAR POWERS PERSIST IN THEIR MONOPOLISTIC PRACTICES IT WILL CREATE GREAT PROBLEMS BETWEEN THE "HAVE'S AND HAVE NOT'S" AND DO GREAT DAMAGE TO EFFORTS TO CONTAIN PROLIFERATION.

12. HARRIMAN REPLIED THAT THE LAST THING PRESIDENT CARTER WANTS IS TO PREVENT OTHER NATIONS FROM USING NUCLEAR ENERGY FOR PEACEFUL PURPOSES. BUT, HE SAID,
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THIS IS A COMPLICATED PROBLEM; WE ARE HAVING SERIOUS PROBLEMS WITH OUR BEST FRIENDS OVER THE ISSUE OF FINDING AN ADEQUATE SYSTEM OF INTERNATIONAL CONTROLS OF NUCLEAR ENERGY. THE QUESTION IS ONE OF INTERNATIONAL DISCIPLINE, HE SAID, NOT OF US DISCIPLINE.

13. VRHOVEC REPLIED THAT THE TIME MAY SOON COME WHEN IT WILL BE NECESSARY TO HAVE AN "INTERNATIONAL CHAPTER" ON THE RIGHTS OF NON-NUCLEAR STATES AND THE MEANS WHEREBY THOSE STATES OBTAIN NUCLEAR ENERGY FOR PEACEFUL PURPOSES. ASSISTANT SECRETARY BERNARDIC INTERVENED TO SAY THAT THE UNITED STATES WILL HAVE GREAT DIFFICULTY IF IT TRIES TO FIND A SOLUTION TO THE RANGE OF NUCLEAR PROBLEMS BY DEALING EXCLUSIVELY WITH THE SOVIET UNION. GOVERNOR HARRIMAN REPLIED THAT

THIS WAS NOT TRUE; THE UNITED STATES MUST BEGIN BY
REACHING ADEQUATE AGREEMENTS WITH THE SOVIETS, SINCE
WITHOUT THOSE AGREEMENTS NOTHING ELSE CAN BE DONE.

14. GOVERNOR HARRIMAN CLOSED THE CONVERSATION BY
REMARKING THAT HE WAS GLAD TO SEE HOW MUCH OUR
BILATERAL RELATIONS HAVE IMPROVED, AND THAT HE IS
DEDICATED TO FRIENDSHIP BETWEEN OUR TWO COUNTRIES.
HOW WELL WE MANAGE OUR BILATERAL RELATIONSHIP IS
IMPORTANT FOR THE FUTURE OF THE WORLD BECAUSE IT
SYMBOLIZES HOW TWO COUNTRIES CAN COOPERATE TO ACHIEVE
COMMON ENDS EVEN WHEN THEIR SYSTEMS DIFFER.
EAGLEBURGER

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